(3)

No. 05-1360

FILED

MAY 30 2006

OFFICE OF THE CLERK
SUPREME COURT, U.S.

In The

Supreme Court of the United States

BERNARD F. DEPALMA,

Petitioner,

v.

NIKE, INC., BAUER NIKE HOCKEY, INC., AND BAUER NIKE HOCKEY USA,

Respondents.

On Petition For Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit

RESPONDENTS' BRIEF IN OPPOSITION

J. MICHAEL JAKES
Counsel of Record
KATHLEEN A. DALEY
FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER, L.L.P.
901 New York Avenue, NW
Washington, DC 20001-4413
(202) 408-4000

Counsel for Respondents

May 30, 2006

COCKLE LAW BRIEF PRINTING CO. (800) 225-6964
OR CALL COLLECT (402) 342-2831

QUESTION PRESENTED

Petitioner's lengthy statement of the questions presented attempts to create issues of constitutional law and to manufacture conflicts with Supreme Court precedent and other circuit courts where none exists.

Restated, the question presented is whether this Court should review the Federal Circuit's judgment affirming the District Court's grant of summary judgment where the Petitioner had notice and an opportunity to respond to Respondents' summary judgment motion and noninfringement was demonstrated as a matter of law?

PARTIES TO THE PROCEEDINGS BELOW AND RULE 29.6 STATEMENT

The parties to the proceedings below are Petitioner Bernard F. DePalma; Respondents Nike Inc., Bauer Nike Hockey, Inc., and Bauer Nike Hockey USA; and Sherwood Drolet Corporation.

Pursuant to Supreme Court Rule 29.6, Respondents state that Bauer Nike Hockey, Inc. and Bauer Nike Hockey USA are wholly owned subsidiaries of Nike, Inc., through various other intermediate corporations. There are no other publicly held companies that own 10 percent or more of the stock of any of the Respondents.

TABLE OF CONTENTS

	Page
QUESTION PRESENTED	i
PARTIES TO THE PROCEEDINGS BELOW AND RULE 29.6 STATEMENT	ii
TABLE OF CONTENTS	iii
TABLE OF AUTHORITIES	iv
PRELIMINARY STATEMENT	1
COUNTERSTATEMENT OF THE CASE	2
REASONS FOR DENYING THE WRIT	4
I. DePalma Had Notice and an Opportunity to Be Heard	4
II. Construing Patent Claims in Connection With Summary Judgment Is Proper	6
III. The New Appellate Rules Do Not Apply	8
CONCLUSION	9

TABLE OF AUTHORITIES

Page

FEDERAL CASES

Ballard Med. Prods. v. Allegiance Healthcare Corp., 268 F.3d 1352 (Fed. Cir. 2001) 6

Genentech, Inc. v. Boehringer Manneheim GmbH, 989 F. Supp. 359 (D. Mass. 1997) 7

Markman v. Westview Instruments, Inc., 517 U.S. 370 (1996) 6, 7

Mediacom Corp. v. Rates Tech., Inc., 4 F. Supp. 2d 17 (D. Mass. 1998) 7

Utah Med. Prods., Inc. v. Clinical Innovations Assoc., Inc., 79 F. Supp. 2d 1290 (D. Utah 1999) 7

Vivid Techs., Inc. v. Am. Science & Eng'g, Inc., 200 F.3d 795 (Fed Cir. 1999) 7

FEDERAL RULES

Federal Circuit Rule 36 ..... 5, 8

Federal Circuit Rule 47.6 8

Federal Rule of Appellate Procedure 32.1 8

Supreme Court Rule 29.6 ii

PRELIMINARY STATEMENT

This case presents no issue worthy of review by the Supreme Court. The judgment does not conflict with the decision of any other court, involves no real question of constitutional law, and presents no important question of federal law. This case is merely an instance of an appellate court reviewing summary judgment and determining, in accordance with established standards of review, that judgment was correct as a matter of law.

Petitioner DePalma attempts to create constitutional issues and conflicts between the decisions below and other precedent by asserting that the district court granted summary judgment *sua sponte* and without proper notice. DePalma's premise, however, is faulty. DePalma had notice through Respondents' (collectively referred to as Bauer) motion for summary judgment and was given numerous opportunities to respond. In time, DePalma did respond to the motion. The district court held a hearing and entered judgment on a ground raised in Respondents' motion. As a result, DePalma was not denied due process or an opportunity to be heard, and the decision below is in accord with established precedent.

DePalma's real complaint is with the specific finding that his patent claims do not cover Bauer's products, which raises no constitutional question or important question of federal law. As such, it is nothing more than the familiar refrain of a losing litigant in a patent appeal. DePalma's petition for writ of certiorari also mischaracterizes the record. If the Court were to mistakenly grant the petition based on the issues presented by DePalma, it would later discover that the case is nothing like that described in his petition for certiorari.

COUNTERSTATEMENT OF THE CASE

DePalma brought suit for infringement of U.S. Patent No. 4,507,801 (the '801 patent) on October 5, 1995. In defense, Bauer asserted, *inter alia*, that its products did not infringe the '801 patent and that the patent was invalid.

Bauer first moved for summary judgment of non-infringement and invalidity in December 1996, after the close of discovery. (Ct. App. JA 67.) At DePalma's request, the Magistrate Judge allowed DePalma to conduct depositions outside of discovery and extended DePalma's deadline to oppose Bauer's summary judgment motions. (Ct. App. JA 67, 104.) On May 2, 1997, the Magistrate Judge again extended the deadline for DePalma's oppositions. (Ct. App. JA 68, 107.)

Despite the twice-extended deadlines, DePalma failed to respond to Bauer's summary judgment motions, and the Magistrate Judge issued an order precluding DePalma from filing responses. (Ct. App. JA 69, 107-08.) On appeal of this order, the district court, recognizing DePalma's lack of diligence but also recognizing the severe nature of the sanction, remanded the matter back to the Magistrate Judge to set yet another deadline for DePalma's response to the outstanding summary judgment motions. (Ct. App. JA 70, 112.)

Under an amended scheduling order, Bauer filed a combined motion for summary judgment of noninfringement, invalidity, and failure to comply with the marking and notice requirements of 35 U.S.C. § 287(a) in February 2000. (Ct. App. JA 74.) DePalma filed his opposition to the motion in March 2000, over three years after Bauer first moved for summary judgment. (Ct. App. JA 74.) Although

DePalma is the patent owner and would ultimately have the burden of proof on the issue of infringement, DePalma elected not to propose any construction for the claim terms at issue. Instead, DePalma merely argued that Bauer's proposed constructions of the '801 patent claims were incorrect. (Ct. App. JA at 592-99.)

The district court held a hearing on Bauer's motion on June 7, 2000, and DePalma participated in that hearing. The district court then issued its Memorandum-Decision and Order construing the claims of the '801 patent, granting summary judgment of noninfringement, denying summary judgment of invalidity, and denying all other issues as moot. (Pet. App. 57a.)

In its Memorandum-Decision, the district court construed claim 1 of the '801 patent and then applied that construction to the accused hockey pads. (Pet. App. at 30a-42a.) The court concluded that no reasonable jury could consider Bauer's hockey pads as containing elements (a)-(c) of claim 1 because they do not have the claimed "tightly fitting body-covering means made of stretchable material," or the claimed "plurality of pockets affixed to the body covering means" and "located in the portion of the body-covering means covering the body portion to be protected." (Pet. App. at 34a.) Bauer had specifically identified these limitations as lacking from the accused products and thus raised the very grounds on which judgment was based. (Ct. App. JA at 137-43.)

The district court explained that the accused "product is essentially made up of the pads themselves, encased in a stretch fabric and joined closely together by various means" and that there "is no discernable garment apart from the fabric-encased pads." (Pet. App. at 33a.) Bauer

had made this same argument, contending that the accused pads, like prior art pads, are simply pads covered in stretch material which are stitched together and attached with straps. (Ct. App. JA at 138-40.)

On appeal to the Federal Circuit, DePalma argued the merits of the judgment against him and further argued that the district court construed the claims of the '801 patent *sua sponte* and entered judgment on a ground not raised in Bauer's motion. (Ct. App. Br. at 27.) The Federal Circuit, after briefing and oral argument, summarily affirmed the judgment of the district court.

REASONS FOR DENYING THE WRIT

I. DePalma Had Notice and an Opportunity to Be Heard

DePalma's petition should be denied because DePalma has not presented an issue worthy of Supreme Court review. DePalma attempts to demonstrate a split among the circuit courts regarding the notice required before summary judgment may be entered and the evidentiary burden placed on the party opposing summary judgment. It is not clear that DePalma has demonstrated such a conflict, but, in any event, it is irrelevant because DePalma had notice and numerous opportunities to respond to Bauer's motion.

This is not the situation where Bauer moved for summary judgment of noninfringement and the court entered judgment of invalidity or where the court, acting on its own, entered judgment *sua sponte*. Bauer moved for summary judgment of noninfringement, contending that the accused products did not meet certain claim limitations.

And the district court entered judgment of noninfringement, holding that those claim limitations were absent from the accused products.

Moreover, over the course of three years, DePalma was given numerous opportunities to respond to Bauer's motion, and DePalma did file an opposition. The district court held a hearing, where DePalma again had an opportunity to be heard on his opposition to summary judgment. Thus, DePalma did in fact have notice of the basis for the judgment against him and had more than ample opportunity to marshal evidence against such judgment.

In addition, the Federal Circuit considered the same notice argument that DePalma presents here. The Federal Circuit, being in the position to review the record and determine the level of notice provided to DePalma, summarily entered judgment pursuant to Federal Circuit Rule 36, thereby finding that the record supported summary judgment and that an opinion would have no precedential value.

Nothing in this case demonstrates that DePalma was denied due process in any way or implicates a split between the circuit courts. DePalma is simply a litigant who wishes that the law applied to the undisputed facts in this case resulted in a different outcome. Merely asserting that the law has been misapplied, however, does not create a ground for certiorari, as DePalma himself acknowledges (*see* Pet. at 8-9).

II. Construing Patent Claims in Connection With Summary Judgment Is Proper

DePalma criticizes the district court for construing the claims of the '801 patent at the same time it considered Bauer's motion for summary judgment. DePalma asserts that district courts should be required to construe patent claims before receiving motions for summary judgment. (Pet. at 24-27.) In other words, DePalma seeks a special rule for summary judgment in patent cases. In no other area of the law is a court required to announce the law that will be applied before it receives motions for summary judgment and nothing particular to patent law requires such a special rule.

In *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 391 (1996), this Court held that claim construction is a question for the court but nothing in that decision suggests that claim construction must be announced prior to filing summary judgment motions. The Federal Circuit has also declined to establish a special rule as to how or when patent claims must be construed during a case. *See, e.g., Ballard Med. Prods. v. Allegiance Healthcare Corp.*, 268 F.3d 1352, 1358 (Fed. Cir. 2001) (stating that "*Markman* does not require a district court to follow any particular procedure in conducting claim construction"). The Federal Circuit has indicated that courts should have the discretion to interpret claims at an appropriate time in the proceeding, including in connection with summary judgment. *See, e.g., Ballard*, 268 F.3d at 1358 (affirming summary judgment and stating that "District courts have wide latitude in how they conduct the proceedings before them, and there is nothing unique about claim construction that requires the court to proceed according to any particular

protocol"); *Vivid Techs., Inc. v. Am. Science & Eng'g, Inc.*, 200 F.3d 795, 803-04 (Fed. Cir. 1999).

Moreover, district courts routinely construe claims in connection with summary judgment. *See, e.g., Utah Med. Prods., Inc. v. Clinical Innovations Assocs., Inc.*, 79 F. Supp. 2d 1290, 1299 (D. Utah 1999) (stating that "[a]s a practical matter, this Court finds that combining the *Markman* hearing and the motion for summary judgment is an efficient and sensible approach to what could otherwise be an unnecessarily lengthy and multi-phased process"), *aff'd*, 251 F.3d 171 (Fed. Cir. 2000); *Mediacom Corp. v. Rates Tech., Inc.*, 4 F. Supp. 2d 17, 22, 22 n.2 (D. Mass. 1998) (stating that "[s]ince *Markman* claim construction has most frequently been handled in conjunction with a hearing on a motion for summary judgment" and that a "Rule 56 summary judgment is a perfectly appropriate vehicle in which to conduct a *Markman* hearing"); *Genentech, Inc. v. Boehringer Manneheim GmbH*, 989 F. Supp. 359, 364 (D. Mass. 1997) (stating "[m]any courts address claim construction and summary judgment in a single opinion").

In this case, DePalma had the opportunity to offer proposed claim constructions but chose not to do so. The district court considered Bauer's proposed constructions, DePalma's arguments against those constructions, the '801 patent, its prosecution history, and the evidence presented in connection with claim construction and summary judgment. And the court arrived at a proper claim construction. Nothing in this procedure deprived DePalma of notice or an opportunity to respond. Although DePalma criticized the district court's claim construction on appeal, calling it *sua sponte*, he notably did not offer any claim construction of his own. Thus, even when given numerous opportunities, DePalma has been unable to

identify any error in the court's construction, showing that the judgment against him was not due to lack of notice but to the law and facts not supporting his claim.

III. The New Appellate Rules Do Not Apply

DePalma argues that this Court should address Federal Circuit Rule 36, which permits summary affirmance, and Federal Circuit Rule 47.6, which limits citation of nonprecedential opinions, in view of the recent changes to the Federal Rules of Appellate Procedure. New Rule 32.1 of the Federal Rules of Appellate Procedure will only apply to decisions after January 1, 2007, however, and thus does not apply to this case. DePalma essentially asks this Court to extend new Rule 32.1 to decisions issued prior to January 1, 2007, but the Judicial Conference considered that very issue and declined to extend the rule to such decisions. *Compare* Fed. R. App. P. 32.1 (2006) *with* Memorandum from Judge Samuel A. Alito, Jr., Chair, Advisory Comm. on Appellate Rules, to Judge David F. Levi, Chair, Standing Comm. on Rules of Practice & Procedure (May 6, 2005) (*available at* http://www.uscourts.gov/rules/Reports/AP5-2005.pdf).

Moreover, nothing in the Federal Circuit's use of Federal Circuit Rule 36 in this case creates a constitutional issue or a question of importance for this Court. To the contrary, the rule itself provides that it is only used when the record supports the judgment and an opinion would have no precedential value. Because this case only involves applying the '801 patent claims to the undisputed facts of this particular case, there is no precedent setting issue that requires a detailed precedential opinion.

CONCLUSION

For the foregoing reasons, the petition for a writ of certiorari should be denied.

Respectfully submitted,

J. MICHAEL JAKES
Counsel of Record
KATHLEEN A. DALEY
FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER, L.L.P.
901 New York Avenue, NW
Washington, DC 20001-4413
(202) 408-4000

Counsel for Respondents

May 30, 2006